

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W  
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R 020730Z AUG 78  
FM AMEMBASSY TEHRAN  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 9612

UNCLAS SECTION 1 OF 2 TEHRAN 7281

EO 11652: N/A  
TAGS: BEXP, ELTN, IR  
SUBJ: MAJOR PROJECTS: IRANIAN NATIONAL RAILWAYS  
EXPANSION AND IMPROVEMENT

1. SUMMARY: IRANIAN STATE RAILWAY (ISR) HAS EMBARKED ON 30-YEAR, MULTIBILLION-DOLLAR PROJECT TO DEVELOP INFRA-STRUCTURE FOR MODERN RAILWAY SYSTEM. SOME SEGMENTS THIS PROJECT CURRENTLY UNDER CONSTRUCTION WHILE OTHERS STILL ON DRAWING BOARD. INCLUDED IN MASTER PLAN ARE CONSTRUCTION OF NEW LINES AND REPAIR FACILITIES, AS WELL AS ELECTRIFICATION AND RENOVATION EXISTING LINES. MASSIVE CAPITAL PURCHASES WILL ALSO BE REQUIRED. THERE ARE SIGNIFICANT OPPORTUNITIES FOR AMERICAN FIRMS, ESPECIALLY THOSE WITH ON-SCENE AGENTS, TO PARTICIPATE IN THIS DEVELOPMENT.  
END SUMMARY.

2. AS A RESULT OF DISCUSSIONS BETWEEN COMMERCIAL OFFICER ROBERT MARSHALL AND COMMERCIAL ADVISOR A.A. RAZBAN AND RAILROAD OFFICIALS, FOLLOWING LIST OF MAJOR PROJECTS HAS BEEN DEVELOPED, WITH SPECIAL ATTENTION TO THOSE OPEN TO U.S. BIDDERS AND SUB-CONTRACTORS.  
A) ISR INTENDS TO LEASE ELECTRIC LOCOMOTIVES FROM SEVERAL COUNTRIES ON TRIAL BASIS TO TEST WHICH TYPE WOULD BEST SUIT IRANIAN NEEDS. ACCORDING TO GM AGENT IN IRAN, ISR IS IN DISCUSSION WITH FRENCH AND UNCLASSIFIED

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SWEDISH COMPANIES FOR LEASE OF APPROXIMATELY TEN LOCOMOTIVES WHICH MEET SPECIFICATIONS. ALTHOUGH AMERICAN GM DIESEL LOCOMOTIVES USED WIDELY IN IRAN, ISR BELIEVES AMERICAN ELECTRIC LOCOMOTIVES NOT SUITABLE FOR IRANIAN TRACKS. FURTHER, ACCORDING TO THIS SOURCE, AMERICAN LOCOMOTIVES ARE DESIGNED FOR A 30-TON-PER-AXLE LOAD AGAINST THE 20-TON-

PER-AXLE LOAD MAXIMUM IRAN NEEDS.

B) JULFA-TEHRAN: THIS HIGH PRIORITY PROJECT ENTAILS TWO-TRACK ELECTRIC SYSTEM BETWEEN TEHRAN AND PORT OF ENTRY (JULFA) ON SOVIET BORDER. JULFA-TABRIZ SEGMENT OF CONSTRUCTION CONTRACT AWARDED TO TECHNOSTRY-EXPORT OF USSR IN CONJUNCTION WITH CYRUS OF IRAN. TEHRAN-MIANEH-TABRIZ SECTOR AWARDED TO TRANSMARK OF BRITAIN. TRANSMARK, CONSULTING ENGINEERS TO BRITISH RAILROADS, HAVE OFFICE IN TEHRAN ON AVENUE ARYANA, TAVANIR STREET. EXISTING RAIL LINE BETWEEN MIANEH AND MARAGHEH, WHICH IS SINGLE TRACK, WILL BE USED FOR CARGO. OVERALL ELECTRIFICATION OF THESE TRACKS WILL BE COMPLETED BY ITALIAN FIRM (SADELMI, AVENUE SHAH ABBAS, MOSHIR STREET, NUMBER 110) AND BRITISH INSULATED CALLENDERS CONSTRUCTION (BICC), AVENUE TAKHTE-JAMSHID ON FORSAT STREET. FIRMS HOLD CONTRACT FROM TAVANIR, WHOLLY-OWNED SUBSIDIARY OF MINISTRY OF POWER. THEY ARE RESPONSIBLE FOR CONSTRUCTION OF ELECTRIC POSTS AND SUB-STATIONS FOR 132-KILOVOLT POWER TRANSMISSION LINE. THESE LINES NOW UNDER CONSTRUCTION AND EXPECTED TO BE COMPLETED IN TWO YEARS (BY FIRST QUARTER OF IRANIAN YEAR 2539 WHICH BEGINS MARCH 21, 1980). DEPOTS, MAINTENCANCE SHOPS, ETC., ALONG ABOVE LINES WILL BE CONSTRUCTED BY IRANIAN FIRM, ZOHAL CONSTRUCTION COMPANY.

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C) TEHRAN-BANDAR SHAPOUR: PROJECT CONSISTS OF TWO PHASES, RESEARCH AND CONSTRUCTION. FRENCH COMPANY, SPIE BATIGNOLLES CONSULTING ENGINEERS, LOCATED ON ABBAS-ABAD, MAHNAZ STREET, NUMBER 98, NOW IN PROCESS OF COMPLETING STUDIES. FIRM HAS IRANAIN PARTNER, ENGINEER MANSOUR KHADEMI, WHO ALSO AN ASSISTANT TO MAYOR OF TEHRAN FOR CITY DEVEOLPMENT.

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D) MASHAD-TEHRAN: ELECTRIC DOUBLE TRACKS. PART OF FIRST PHASE THIS PROJECT (STUDIES) COMPLETED BY JAPANESE FIRM (JARTS, AVENUE VILLA, SEPAND STREET, NUMBER 44). TO DATE FIRM HAS COMPLETED ITS STUDIES ON PROJECT FOR PASSENGER TRANSPORTATION ONLY.  
E) BAFGH-BANDAR ABBAS; SIRJAN-KERMAN; AND BANDAR ABBAS-KERMAN; STUDIES FOR THIS PROJECT COMPLETED BY IRAN-KAMPSAX, LOCATED AT ABBAS-ABAD AND KHIABAN PAKISTAN. PROJECT WILL BE CONSTRUCTED WITH FOREIGN AND LOCAL PARTICIPATION. UNTIL NOW, WORK HAS BEEN POSTPONED DOE TO LACK OF FUNDS. FUNDS FOR PROJECT WILL BE ALLOCATED IN SIXTH PALN. BIDDING NOW OPEN FOR THIS PROJECT.

F) AHWAZ-ISFAHAN: STUDIES FOR FIRST AND SECOND PHASES ARE UNDERWAY. SONCTRACT HAS BEEN AWARDED TO ITALIAN FIRM (CARLOLOTTI E. ASSOCIATES, AVENUE SABA SHOMALI, AZAR STREET, TEHRAN). PROJECT SHOULD BE COMPLETED BY END OF IRANIAN YEAR 2539 (TWO YEARS HENCE).

G) KERMAN-SUREGAZ AND KERMAN-ZAHEDAN: THE FIRST STUDY HAS BEEN COMPLETED BY RITS, AND INDIAN FIRM. CONSTRUCTION WILL START SOON.

H) SHUREGAZ-MIRJAVEH (PAKISTAN BORDER): FIRST PHASE OF THIS PROJECT (FEASIBILITY STUDY) COMPLETED BY ELECTROWATT OF SWITZERLAND, LOCATED ON SEPAHBAOD ZAHEDI AVENUE, KAVEH BUILDING, NO. 19.

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I) QOM-ISFAHAN-RIZ AND MAYBOD-YAZD-KERMAN: STUDIES FOR FIRST PHASE COMPLETED BY GERMAN FIRM (DECONSULT-FIRAN, AVENUE PAHLAVI, BABAK STREET, NUMBER 86).

J) MAINTENANCE FACILITY AND LOCOMOTIVE REPAIR SHOP IN ISFAHAN: RUMANIAN FIRM RESPONSIBLE FOR STUDY OF THIS PROJECT.

K) MASHAD TO AFGHAN BORDER: SUFRERAIL, CONSULTING ENGINEERS TO FRENCH RAILROADS, NOW COMPLETING FIRST PHASE THIS SMALL PROJECT. ENGINEER GHAHRAMANI STATED THAT FRENCH RESPONSIBLE FOR THIS PROJECT BECAUSE THEY ARE CONTRACTORS FOR AFGHAN RAILWAY AND THEY FAMILIAR WITH THAT AREA OF COUNTRY.

L) SARAKHS-MASHAD: USSR STUDYING THIS PROJECT TO DEVELOP

ATLERNATIVE PORT OF ENTRY TO JULFA FOR RUSSION GOODS AND TRANSIT CARGO FROM EUROPE. PROJECT WILL BE FINANCED BY BARTERING GAS.

M) IRAN-IRAQ: NEW SIX HUNDRED KILOMETER STRETCH BETWEEN EITHER QOM OR ARAK TO GHASRE-SHIRIN WILL BE PUT TO TENDER SOON. AMERICAN CONTRACTORS CAN PARTICIPATE IN THIS TENDER AND HAVE GOOD CHANCE OF OBTAINING CONTRACT.

N) METRO-ISR: STUDIES FOR JOINING METRO TO ISR ARE UNDERWAY BY IRAN-KAMPSAX. TEHRAN METRO PROJECT OFFICE IN 1974 AWARDED ENGINNEERING DESIGN CONTRACT FOR DOLLARS THIRTY MILLION PROJECT TO FRENCH FIRM, SOFRETU. HOWEVER, U.S. FIRM, ZOKOR, WON COMPETITIVE BID FOR UP TO DOLLARS THIRTY MILLION WORTH OF TUNNELING EQUIPMENT IN EARLY 1978, AND U.S. FIRMS ELIGIBLE TO BID ON CONSTRUCTION OF PHASES THREE THRU SIX IN AUGUST 1978. (A SEPARATE REPORT ON THE METRO WILL FOLLOW.)

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3. TENDER PROCEDURES: TENDER NOTICES ARE AVAILABEL THROUGH THE DEPARTMENT OF COMMERCE'S FOREIGN TENDER PROGRAM, AS WELL AS FROM THE IMPERIAL IRANIAN EMBASSY AND CONSULATES IN THE U.S. BIDS MUST BE SUBMITTED IN THREE ENVOLOPES: ENVELOPE (A) CONTAINING PERFORMANCE BOND WHICH MUST RPT MUST BE SECURED THROUGH AN IRANIAN BANK; ENVELOPE (B) WITH TECHNICAL SPECIFICATIONS; AND ENVELOPE (C) WITH THE PRICE. FAILURE TO COMPLY WITH THIS PROCEDURE WILL AUTOMATICALLY DISQUALIFY THE BIDDER. PRICE AND ENGINEERING ARE KEY PACTORS IN THE AWARD OF CONTRACTS, ALTHOUGH OTHER FACTORS, SUCH AS GOVERNMENT-TO-GOVERNMENT AGREEMENTS, SOMETIMES INVOLVED.  
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## Message Attributes

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